

## Message Text

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44

ACTION ARA-20

INFO OCT-01 ADP-00 OMB-01 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-15 AID-20 EB-11 COME-00 INT-08 OPIC-12 TRSE-00

IO-13 RSR-01 /155 W

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R 201154Z AUG 73

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 8285

INFO AMEMBASSY LIMA

C O N F I D E N T I A L PANAMA 4388

EO 11652: GDS

TAGS: PFOR, PN, PU

SUBJ: PANAMA AND PERU -- ANOTHER STEP CLOSER

SUMMARY. WITH THE RECENTLY CONCLUDED VISIT TO PERU OF A DELEGATION HEADED BY LEGISLATVIE COMMISSION MEMBER ARISTIDES ROYO, PANAMA APPEARS TO HAVE TAKEN ONE MORE STEP TOWARD FORGING A SPECIAL RELATIONSHIP BETWEEN THE TWO "REVOLUTIONARY" GOVERNMENTS. END SUMMARY.

1. WHILE ORIGINALLY BILLED AS A VISIT TO STUDY THE PROGRESS MADE BY PERU IN THE AREA OF MINING AND THE EXPLORATION AND EXPLOITATION OF NATURAL RESOURCES, THE RECENT VISIT OF ARISTIDES ROYO, A LEADING MEMBER OF PANAMA'S LEGISLATVIE COMMISSION, SEEMS TO HAVE BEEN AS MUCH POLITICAL AS TECHNICAL. PANAMA, WHICH IS MOVING CAUTIOUSLY IN OPENING ITS REPORTEDLY EXTENSIVE COPPER DEPOSITS TO FOREIGN INVESTMENT, IS UNDERSTANDABLY INTERESTED IN LEARNING WHAT IT CAN FROM PERU'S EXPERIENCE IN RECONCILING ITS "REVOLUTIONARY" APPROACH TO ITS NATURAL RESOURCES WITH THE PRACTICAL NEED FOR FOREIGN CAPITAL AND EXPERTISE IN THEIR DEVELOPMENT. WHAT INSIGHTS ROYO AND HIS DELEGATION MAY HAVE PICKED UP FROM THEIR PERUVIAN HOST, MINISTER OF ENERGY AND MINES FERNANDEZ MALDONADO, ARE NOT YET KNOWN. IN A JOINT STATEMENT  
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AT THE CONCLUSION OF THE VISIT, HOWEVER, THE TWO DELEGATIONS DID

PLEDGE TO EXCHANGE "LEGAL AND TECHNICAL" INFORMATION IN THE FIELD, TO COOPERATE ON THE QUESTION OF "HUMAN AND MATERIAL RESOURCES FOR CARRYING OUT POWER AND MINING PROJECTS" AND TO PUSH FOR THE CONCLUSION OF A FORMAL COOPERATIVE AGREEMENT BETWEEN THE TWO COUNTRIES.

2. AS INTERESTED AS HE MAY HAVE BEEN IN PERU'S REVOLUTIONARY APPROACH TO ITS RESOURCES, ROYO DID NOT NEGLECT WHAT WAS OBVIOUSLY ANOTHER PURPOSE OF HIS MISSION. UPON HIS ARRIVAL IN LIMA HE MADE A STATEMENT ON THE CANAL ISSUE, REAFFIRMING THAT PANAMA IS GIVING TOP PRIORITY TO ITS OBJECTIVE OF RECOVERING SOVEREIGNTY AND JURISDICTION OVER THE WATERWAY. THE POLITICAL TONE OF HIS VISIT, THUS ESTABLISHED, WAS SIMILARLY EVIDENT IN THE FINAL JOINT STATEMENT IN WHICH BOTH DELEGATIONS POINTEDLY AGREED TO REAFFIRM THE "FULL AND INDISPUTABLE RIGHT OF SOVEREIGNTY OVER THE TOTALITY OF THEIR TERRITORY", TO "PROTECT IN THE MANNER EACH DEEMS MOST CONVENIENT THEIR PEOPLE'S INTEREST, THE NONRENEWABLE NATURAL RESOURCES OF THEIR LAND, INCLUDING THOSE FOUND WITHIN THE 200-MILE LIMIT OF TERRITORIAL SEA", AND TO "ADOPT JOINT MEASURES TO ENSURE THE DEFENSE OF THOSE IRRENOUNCEABLE RIGHTS".

3. COMMENT. THE ANNOUNCEMENT OF INCREASED PANAMAIAN/PERUVIAN COOPERATION IN THE AREA OF MINING AND ENERGY, WHILE SIGNIFICANT IN ITSELF, IS PERHAPS EQUALLY INTERESTING AS FURTHER EVIDENCE OF GROWING TIES BETWEEN THE TWO "REVOLUTIONARY" GOVERNMENTS. BOTH SEEM TO SEE ADVANTAGES IN CLOSER COOPERATION AND, IF THE NATURE OF THEIR FUTURE RELATIONSHIP HAS NOT YET BEEN FULLY DETERMINED ON EITHER SIDE, THEY CERTAINLY HAVE NO DIFFICULTY AGREEING ON THE QUESTION OF SOVEREIGNTY AND JURISDICTION OVER THEIR TERRITORY AND RESOURCES.

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